

Washington State Auditor's Office

Audit Report

Audit Services

Report No. 58219

SPOKANE WATER DISTRICT NO. 2
DBA WHITWORTH WATER DISTRICT NO. 2

Spokane County, Washington

January 1, 1996 Through December 31, 1996

Issue Date: May 23, 1997

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SPOKANE WATER DISTRICT NO. 2
DBA WHITWORTH WATER DISTRICT NO. 2
Spokane County, Washington
January 1, 1996 Through December 31, 1996

**Independent Auditor's Report On Compliance With Laws And Regulations
At The Financial Statement Level (Plus Additional State Compliance
Requirements Per RCW 43.09.260)**

Board of Commissioners
Spokane Water District No. 2
Spokane, Washington

We have audited the general-purpose financial statements, as listed in the table of contents, of Spokane Water District No. 2, Spokane County, Washington, as of and for the fiscal year ended December 31, 1996, and have issued our report thereon dated April 2, 1997.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Spokane Water District No. 2 is the responsibility of the district's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the district's compliance with certain provisions of laws, regulations, contracts, and grants.

We also performed additional tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the district complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office. Our responsibility is to examine, on a test basis, evidence about the district's compliance with those requirements and to make a reasonable effort to identify any instances of misfeasance, malfeasance, or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the district and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with these provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

This report is intended for the information of management and the board of commissioners and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

BRIAN SONNTAG, CGFM
STATE AUDITOR

April 2, 1997

SPOKANE WATER DISTRICT NO. 2
DBA WHITWORTH WATER DISTRICT NO. 2
Spokane County, Washington
January 1, 1996 Through December 31, 1996

Independent Auditor's Report On Financial Statements

Board of Commissioners
Spokane Water District No. 2
Spokane, Washington

We have audited the accompanying general-purpose financial statements of Spokane Water District No. 2, Spokane County, Washington, as of and for the fiscal years ended December 31, 1996 and 1995, as listed in the table of contents. These financial statements are the responsibility of the district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Spokane Water District No. 2, at December 31, 1996 and 1995, and the results of its operations and cash flows for the fiscal years then ended, in conformity with generally accepted accounting principles.

BRIAN SONNTAG, CGFM
STATE AUDITOR

April 2, 1997